UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ATLANTIC CASUALTY INSURANCE COMPANY,

Case No. 07 CV 11264 (HB)

Plaintiff,

VERIFIED ANSWER

-against-

ELJIN CONSTRUCTION, JOHN MCGRAW, MARJORIE MCGRAW, and JOAN GRANLUND,

(Defendant Demands a Trial by Jury)

Defendants	

The defendant, ELJIN CONSTRUCTION, by its attorneys, Newman & Okun, P.C., as and for its Verified Answer to the Complaint for Declaratory Judgment and Money Judgment, respectfully alleges, upon information and belief:

- 1. Denies each and every allegation contained in paragraph numbered "1" of the Complaint, except admits that Eljin was insured by Atlantic Casualty Insurance Company on or about June 27, 2003, and is entitled to coverage for the "underlying incident" from Atlantic Casualty.
- 2. Denies each and every allegation contained in paragraph numbered "3" of the Complaint.
- 3. Denies each and every allegation contained in paragraph numbered "4" of the Complaint, except admits that Atlantic Casualty retained defense counsel to represent Eljin in the Granlund Action.
- 4. Denies each and every allegation contained in paragraphs numbered "5" and "6" of the Complaint.
- 5. Lacks information or knowledge sufficient to form a belief as to the truth or falsity of the allegations contained in paragraphs numbered "7", "8", "9" and "10" of the Complaint.
- 6. Denies each and every allegation contained in paragraphs numbered "11" and "12" of the Complaint.

- 7. Lacks information or knowledge sufficient to form a belief as to the truth or falsity of the allegations contained in paragraph numbered "13" of the Complaint.
- 8. Denies each and every allegation contained in paragraph numbered "14" of the Complaint.
- 9. Lacks information or knowledge sufficient to form a belief as to the truth or falsity of the allegations contained in paragraphs numbered "15" and "16" of the Complaint.
- 10. Denies each and every allegation contained in paragraphs numbered "18", "19" and "21" of the Complaint.
- 11. Denies each and every allegation contained in paragraph numbered "23" of the Complaint, except admit that Eljin Believed that Atlantic Casualty had arranged for defense counsel to appear for Eljin in the <u>Granlund Action</u>.
- 12. Denies each and every allegation contained in paragraph numbered "25" of the Complaint.
- 13. Neither Admits or Denies each and every allegation contained in paragraph numbered "28" of the Complaint which constitute allegations of law to be decided by the Court.

ANSWERING THE FIRST CAUSE OF ACTION

- 14. Defendant repeats and reiterates each and every allegation set forth in paragraphs 1 through 13 above as if set forth at length herein.
- 15. Denies each and every allegation contained in paragraphs numbered "30", "31" and "32" of the Complaint.

ANSWERING THE SECOND CAUSE OF ACTION

- 16. Defendant repeats and reiterates each and every allegation set forth in paragraphs 1 through 15 above as if set forth at length herein.
- 17. Denies each and every allegation contained in paragraphs numbered "34", "35" and "36" of the Complaint.

ANSWERING THE THIRD CAUSE OF ACTION

- 18. Defendant repeats and reiterates each and every allegation set forth in paragraphs 1 through 17 above as if set forth at length herein.
- 19. Denies each and every allegation contained in paragraphs numbered "38", "39", "42", "43", "45", "46", "47" and "48" of the Complaint.
- Admits each and every allegation contained in paragraphs numbered "40", "41" and 20. "44" of the Complaint.

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

21. The Court lacks personal jurisdiction over the defendant due to plaintiff's failure to serve process in accordance with Section 308 of the Civil Practice Law and Rules.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

22. The complaint in its entirety, and each cause of action contained therein, fail to state a cause of action.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

23. That this action is time-barred due to plaintiff's laches.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE

24. That this action is barred by the doctrine of estoppel.

WHEREFORE, the defendant respectfully requests judgment dismissing the complaint, granting the costs and disbursements of this action, and for such other and further relief as to this Court may seem just and proper.

Dated: New York, New York January 23, 2008

Respectively Submitted;

By:

Eric M. Babat (EB-5573)

NEWMAN & OKUN₂ P.0

Attorneys for Defendant

Eljin Construction

8 West 38th Street, 9th Fl. New York, New York 10018

(212) 642-0950

TO:

NIXON PEABODY, LLP Attorneys for Plaintiff ATLANTIC CASUALTY INSURANCE CO. 437 Madison Avenue New York, New York 10022 (212) 940-3000 2008-Jan-29 01:56 PM Eljin Construction 718-585-3256 Case 1:07-cv-11264-HB Filed 01/29/2008 Page 5 of 6 Document 8

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CORPORATE

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

ATLANTIC CASUALTY INSURANCE COMPANY,

Plaintiff.

-against-

ELJIN CONSTRUCTION, JOHN MCGRAW, MARJORIE MCGRAW, and JOAN GRANLUND,

Defendants

STATE OF NEW YORK

: 68.1

COUNTY OF NEW YORK)

I, DENNIS McCARTHY, being duly sworn, depose and say:

That I am the President of BLJIN CONSTRUCTION, a corporation and a party in the within action; I have read the foregoing ANSWER and know the contents thereof; and the same is true to my own knowledge, except the matters therein stated to be alleged upon information and belief, and as to those matters I believe to be true. This verification is made by me because the above party is a corporation and I am an officer thereof.

DENNIS McCARTHY

Sworn to before me this 28 day of January, 2008

NOTARY PUBLIC

ERIC M. BABAT Notary Public, State of New York No. 02BA4981963 Qualified in Westchester County Commission Expires May 20, 2041

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK		
ATLANTIC CASUALTY INSURANCE COMPANY,		
Plaintiff,	Case No. 07 CV 11264 (HB)	
-against-	AFFIDAVIT OF SERVICE	
ELJIN CONSTRUCTION, JOHN MCGRAW, MARJORIE MCGRAW, and JOAN GRANLUND,		
Defendants		
STATE OF NEW YORK) : ss.:		
COUNTY OF NEW YORK)		
HAL BERMAN, being duly sworn, deposes and says:		
That I am not a party to the within action and am Brooklyn, New York.	over the age of 18 years, and reside in	
That on the 29th day of January, 2008, I served depositing a true copy of same enclosed in a postpaid pro United States Postal Service depository under the exclusive Postal Service, within the State of New York, upon:	operly addressed wrapper, in an official	

NIXON PEABODY, LLP

Attorneys for Plaintiff

ATLANTIC CASUALTY INSURANCE CO.

437 Madison Avenue

New York, New York 10022

Sworn to before me on this 29th day of Yanuary, 2008_

NOTARY PUBLIC

HAL

DARREN SEILBACK
Notary Public, State of New York
No. 02SE6124082
Qualified in New York County
Commission Expires March 21, 20